

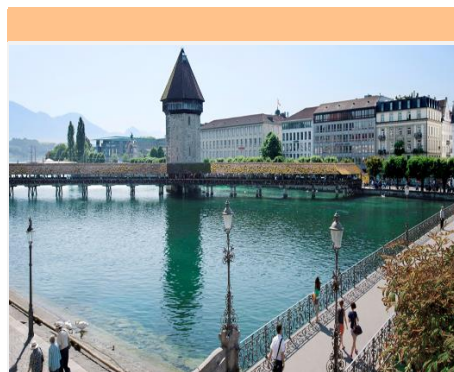


## Subjects

1. Implementation of new salary tax rates
2. Implementation of invoice serial numbers for taxpayers who are registered under the self-declaration regime
3. Change of date for filing monthly tax returns
4. Classification of tax compliance

**The following report may be of interest to:**

General taxpayers



## Implementation of new salary tax rates

(Instruction No.017 MEF-GDT dated 27 December 2016)

The Ministry of Economy and Finance (MEF) has issued Instruction No. 017 to provide guidelines on the implementation of Articles 47 *new* (one) of the Law on Taxation amended by the Law on Financial Management 2017. Under this Instruction, the implementation of the new progressive rates of monthly taxable salary paid to employees from January 2017 is as follows:

### 1) New progressive rates of salary tax

Taxable Parts of the Monthly Salary				Tax Rate
From	0 Riels	to	1,000,000 Riels	0%
From	1,000,001 Riels	to	1,500,000 Riels	5%
From	1,500,001 Riels	to	8,500,000 Riels	10 %
From	8,500,001 Riels	to	12,500,000 Riels	15%
	Over		12,500,000 Riels	20%

### 2) Deduction for dependent spouse and child

The taxable base for deductions per dependent child and non-working spouse are increased from KHR75,000 to KHR150,000 per month.



## Implementation of invoice serial numbers for taxpayers who are registered under self-declaration regime

*(Instruction No.21606 GDT dated 26 December 2016)*

In order to comply with the Law on Taxation and Instruction No. 1127 GDT, the General Department of Taxation (GDT) would like to provide further instructions on the issuance of invoice serial numbers for taxpayers as follows:

- a. Medium and large taxpayers shall issue their invoices with numbers in sequential order for a full year and keep the documents for 10 years for tax purposes. For small taxpayers, the retention period is three years.
- b. Taxpayers can use letters in front of serial numbers on an invoice to identify the location of the Head Office or branches issuing the invoices, which are recognised by the GDT. The invoice serial numbers must be in accordance with one standard only (e.g. PPCI-0001, PPCI-0002, PPCI-0003,... and PPTI-0001, PPTI-0002, PPTI-0003,... or SRCI-0001, SRCI-0002, SRCI-0003,... and SRTI-0001, SRTI-0002, SRTI-0003,...). Taxpayers who have many branches shall separately issue invoices from each branch and from the Head Office, and shall separately issue Tax Invoices and Commercial Invoices.
- c. Taxpayers shall not use different letters in front of an invoice serial numbers for the purpose of dividing invoices according to customer types, products, areas, activities or other types.
- d. Taxpayers issuing their invoices using POS billing machines can issue invoices with serial numbers for each POS machine, but the machine identification numbers must be on the invoices. Also, taxpayers must properly report the number of the machine(s) by the end of January 2017 and notify the GDT of any change of the machines.

## Change of date for filing monthly tax returns

*(Prakas No.1539 MEF-BrK dated 23 December 2016)*

The Prakas intends to revise the due date for filing monthly tax returns. It is applicable to the following types of taxes: (i) Prepayment of Income Tax, (ii) Tax on Salary, (iii) all kinds of Withholding Taxes, (iv) VAT, (v) Specific Tax on Certain Merchandise and Services, (vi) Accommodation Tax, and (vii) Public Lighting Tax.

All self-declaration regime taxpayers shall submit the monthly tax returns no later than the 20<sup>th</sup> day of the following month. Based on verbal confirmation from the GDT, the change is effective starting from the tax return for January 2017, which is due by 20 February 2017 onwards.

## Classification of tax compliance

*(Prakas No.1536 MEF-BrK dated 23 December 2016)*

This Prakas wishes to set out the classification of the taxpayers' tax compliance to push for better tax compliance. The Prakas is applicable to self-declaration regime taxpayers.

The classification of the taxpayers' tax compliance is divided into three types – gold, silver, and bronze – based on total scores of the following criteria:



# Cambodia news brief

A periodic summary of new rulings and documents relating to legal, tax, and investment developments in Cambodia



January 2017

No.	Criteria	Score
1	Tax registration and update of the registration	1
2	Notification of any change of the registration information	1
3	Regular filing of tax returns on time	1
4	Tax payment in full and on time	1
5	Maintenance of accounting records, legal documents, and other documents as required	2
6	Issuance of accurate invoices for all operations under laws and tax regulations	2
7	No negligence as stated in Article 125 of the Law on Taxation	2
8	No serious negligence as stated in Article 126 of the Law on Taxation	2
9	Payments of taxes, additional tax, and other interest as required by tax administration	2
10	No provision of false records, documents, reports, or other information	2
11	Provision of cooperation and authorisation to the tax administration for reviewing accounting records and other documents	2
12	No findings on issues of transfer pricing between related parties	2
	Total	20

The GDT shall provide a two-year tax compliance certificate to any gold-type taxpayer who obtains a score of 16-20. Silver-type taxpayer obtaining a score of 11-15 and bronze-type taxpayer obtaining a score of 1-10 may be provided with the certificate at their request. The GDT shall have the rights to revoke and re-evaluate the tax compliance if it is found that the taxpayers did not comply with the criteria under which they were scored.

The Prakas is silent on the benefits or consequence for being classified under each class.

*(Please contact us if you need a copy of any of the regulations mentioned above.)*

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